GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:518
ANSWERED ON:19.05.2006
ONE TIME SETTLEMENT SCHEMES
Chandrappan Shri C.K.

Will the Minister of FINANCE be pleased to state:

(a) whether the Murari Committee has recommended that the outstanding loans against the people who took loans from the Nationalised Banks under the refinancing scheme of National Bank for Agriculture and Rural Development(NABARD) should be settled on the basis of a scheme of one time settlement;

(b) if so., the steps taken and the manner in which the settlement has been worked out;

(c) whether the Government has received representations/ memorandum from various quarters in this regEird;

(d) if so, the details thereof; and

(e) the action taken by the Government thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (e): A Statement is laid on the Table of the House.

Statement referred to Farts (a) to (e) of Lok Sabha Starred Question No.518, to be amiweared on 19th MAY, 2006, regarding One Time Settlement Schemes,tabled foy Bhti OK. Chandrppam.

(a) : The Murari Committee has recommended a package for financial restructuring arid reliefs that can be extended to deep sea fishing companies to enable them to recoup and operate on profitable terms in the future and also to commence debt servicing to the Government. The package envisages an option of a one time settlement too. The Committee recommendations, however, do not specifically cover the outstanding loans due to nationalised banks, which are covered under the refinancing scheme of NABARD. The Report speaks only about Government debts, and the reco`ininendations are not binding on public sector banks.

(b) : Since, most of the Deep Sea Vessels were financed by the erstwhile Shipping Development Fund Committee(SDFC), the rehabilitation scheme was implemented by a Notification issued by the erstwhile Shipping Credit and Investment Corporation of India(SCICI) in May 1997 for loans advanced by the SDFC and its successor institutions SCICI and ICICI.

Most of the Deep Sea Trawlers owners availed the concessions extended and settled the amount by paying 30% of the outstanding principal loan under the OTS Scheme.

(c),(d) & (e) : Some representations have been received regarding non-settlement of dues by some of the Public Sector Banks who financed the Deep Sea Vessels under the refinance scheme of NABARD 1990. The representations seek that the package announced by the erstwhile SICICI should be made applicable to Deep Sea Trawlers financed by Commercial Batiks and refinanced by NABARD. Individual banks would have to take a decision in this regard based on their norms sand commercial judgement.